



Montana Legal Services Association

Provide, protect and enhance access to justice.

SENATE JUDICIARY

Exhibit No. 4

Date: 3-7-17

Bill No. SB 255

Amy Hall
Supervising Attorney
Montana Legal Services Association
616 Helena Avenue, Suite 100
Helena, MT 59601

Phone: (406) 442-9830 Ext. 114
Fax: (406) 442-9817
Toll Free: (800) 666-6124 Ext. 114
E-mail: ahall@mtlsa.org
Website: www.mtlsa.org

MEMO

To: Senate Judiciary Committee
From: Amy Hall, attorney with MLSA *AH*
RE: SB 255 – requiring the court to collect payments from tenants on judgment
Primary sponsor: R. Webb
Date: February 21, 2017

Good morning, Mr. Chairman and members of the Committee:

My name is Amy Hall. I am an attorney with Montana Legal Services Association, a nonprofit organization that provides civil legal assistance statewide to Montanans living in poverty. I have provided legal representation to low-income renters throughout Montana for 14 years.

I am here on behalf of MLSA to express concerns about SB 255.

This bill adds an entirely new section to the Montana Residential Landlord and Tenant Act (Title 70, Ch. 24, MCA). The new section would turn the court into a debt collector after a money judgment is entered against a tenant. The bill imposes the following new duties upon the court, after the court enters judgment in favor of a landlord and against a tenant:

- 1) If the landlord requests, the court must order the tenant to make payments to the court on the judgment;
- 2) The tenant must notify the court within 14 days of any change in the tenant's residence or employment;
- 3) The court must make periodic payments to the landlord from the money collected from the tenant, and may keep \$10 from each tenant payment to cover processing costs.

Under existing law, the landlord has the right to collect a judgment entered against a tenant just as any other creditor of a civil-law debt has the right to collection. A creditor can garnish the debtor's wages, or seize the tenant's personal property to satisfy the debt. Currently, it is up to the creditor (the landlord) to collect the debt. SB 255

Administrative Office

616 Helena Ave., Ste 100
Helena, MT 59601
Toll Free: (800) 666-6124
Phone: (406) 442-9830
Fax: (406) 442-9817

Statewide HelpLine Number ☎ 1-800-666-6899

Websites:
www.MontanaLawHelp.org
www.mtlsa.org

Funded in part by:

Montana Justice Foundation
&



would change that, and would impose additional burdens on the court to collect the judgment.

Montana courts are already overwhelmed with current caseloads. The courts do not have the staff or the resources that would be required if SB 255 is passed, to collect judgments owed to landlords. Would we rather have our justice courts adjudicating criminals, and keeping our communities safe, or collecting money owed to landlords?

Under existing law, landlords have the same remedies as other creditors, such as credit card companies and health care providers or hospitals, when someone owes them money. But SB 239 would change that, and would give landlords more favorable treatment than other creditors.

This bill would be costly to taxpayers because ultimately they would bear the burden of funding the additional court staff necessary to collect these judgments against tenants. Further, by treating landlords more favorably than other civil-law creditors, this bill would violate the constitutional guarantee of equal protection under the law.

Thank you for your consideration.